

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2
3 WILLIAM A. MUNDELL
4 Chairman
5 JIM IRVIN
6 Commissioner
7 MARC SPITZER
8 Commissioner

9 In the matter of:

) DOCKET NO. S-03473A-02-0000

10 CHARLES E. CONATSER
11 (CRD # 1346076)
12 14076 N. Willow Bend Drive
13 Tucson, AZ 85737

) DECISION NO. 65163

14 ESTATE CONSERVATION STRATEGIES, INC.
15 2120 West Ina Road, Suite 102
16 Tucson, AZ 85741,

) **ORDER OF REVOCATION, ORDER FOR
ADMINISTRATIVE PENALTIES, AND
CONSENT TO SAME BY: CHARLES E.
CONATSER and ESTATE CONSERVATION
STRATEGIES, INC.**

17 Respondents.

18 CHARLES E. CONATSER (“CONATSER”) and ESTATE CONSERVATION
19 STRATEGIES, INC. (“ESTATE”) (collectively “RESPONDENTS”) elect to permanently waive
20 their right to a hearing and appeal under Articles 11 and 12 of the Securities Act of Arizona,
21 A.R.S. § 44-1801, *et seq.* (“Securities Act”) with respect to this Order of Revocation, Order for
22 Administrative Penalties, and Consent to Same (“Order”). RESPONDENTS admit the jurisdiction
23 of the Arizona Corporation Commission (“Commission”); admit the Findings of Fact and
24 Conclusions of Law contained in this Order; and consent to the entry of this Order by the
25 Commission.

26 **I.**

FINDINGS OF FACT

1. CHARLES E. CONATSER (“CONATSER”) is an individual, whose last known
address is 14076 N. Willow Bend Drive, Tucson, Arizona 85737.

1 2. ESTATE CONSERVATION STRATEGIES, INC. ("ESTATE") is an Arizona
2 corporation, whose last known address is 2120 West Ina Road, Suite 102, Tucson, Arizona,
3 85741.

4 3. CONATSER and ESTATE may be referred to collectively as "RESPONDENTS."

5 4. CONATSER became a registered securities salesman in Arizona in April 1987. He was
6 registered in association with: Caprock Securities, Inc. (September 22, 1987 to November 19,
7 1991), H.D. Vest Investment Securities, Inc. (H.D. Vest") (November 25, 1991 to June 13, 1996),
8 SunAmerica Securities, Inc. ("SunAmerica") (June 13, 1996 to October 6, 1998). CONATSER is
9 currently associated with Legacy Financial Services, Inc. ("Legacy"), from on or about December
10 17, 1998 to the present.

11 5. On November 17, 1994, while CONATSER was associated with H.D. Vest, doing
12 business as Capital Financial Consultants, Ltd., he filed an application with the Arizona Corporation
13 Commission under the Investment Management Act, A.R.S. §§ 44-3101 et seq., for licensure as an
14 investment advisor. The Commission issued a final Order on May 3, 1995, Decision No. 59073,
15 denying the applications of Capital Financial Consultants, Ltd. and CONATSER for licensure as an
16 Investment Adviser and Investment Adviser Representative, respectively, based upon findings that
17 they filed applications that were incomplete, inaccurate or misleading pursuant to A.R.S. § 44-
18 3201(A)(1), for CONATSER's failure to disclose a previous bankruptcy filing.

19 6. In or before 1997, while CONATSER was associated with H.D. Vest or SunAmerica,
20 he borrowed money from Ms. Francis Foster, an elderly single woman who was his customer.

21 7. Ms. Foster gave CONATSER a personal check for \$20,000.

22 8. RESPONDENTS issued Ms. Foster a promissory note dated July 30, 1997, reflecting
23 their obligation to pay her \$20,000, plus interest.

24 9. At the time of Ms. Foster's death on June 25, 1999, RESPONDENTS still owed
25 approximately \$6300, which was then past due. RESPONDENTS have repaid the balance of the
26 \$20,000 owed to Ms. Foster.

10. Ms. Foster was not a relative of CONATSER.

11. Ms. Foster was not a person in the business of lending funds.

12. Ms. Foster was a customer of CONATSER and his dealers at the time that CONATSER borrowed money from her.

13. The note CONATSER drafted and issued to Ms. Foster stated that it was “secured by a right to all office furniture and equipment at the offices of Estate Conservation Strategies.” The Note further stated that “the Promisor shall be in default if there is a sale, transfer, assignment, or any other disposition of any assets pledged as security for the payment of this Note, or if there is a default in any security agreement which secures this Note.” Neither Ms. Foster nor RESPONDENTS perfected any security interest in property to secure this Note.

II.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Securities Act.

2. CONATSER’s conduct subjects him to an order of revocation pursuant to A.R.S. § A.R.S. § 44-1962(A)(10) and A.A.C. R14-4-130(15), for borrowing money from a customer, who was neither a relative of CONATSER nor a person in the business of lending funds at the time of the loans .

3. RESPONDENTS’ conduct is grounds for administrative penalties under A.R.S. § 44-2036.

III.

ORDER

THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and the RESPONDENTS’ consent to the entry of this Order, the Commission finds that the following relief is appropriate, in the public interest, and necessary for the protection of investors:

1 IT IS ORDERED, pursuant to A.R.S. § 44-1962, that CONATSER's securities salesman
2 registration is revoked.

3 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that RESPONDENTS shall,
4 jointly and severally, pay administrative penalties in the amount of \$5,000, payable to the "State of
5 Arizona." Payment shall be made in full by cashier's check or money order on the date of this
6 Order.

7 IT IS FURTHER ORDERED that this Order shall become effective immediately.

8 **BY ORDER OF THE ARIZONA CORPORATION COMMISSION**
9

10
11 CHAIRMAN

COMMISSIONER

COMMISSIONER

12 IN WITNESS WHEREOF, I, BRIAN C. McNEIL,
13 Executive Secretary of the Arizona Corporation
14 Commission, have hereunto set my hand and caused the
15 official seal of the Commission to be affixed at the
16 Capitol, in the City of Phoenix, this _____ day of
17 _____, 2002.

18 _____
19 BRIAN C. McNEIL
20 Executive Secretary

21
22 DISSENT

23 This document is available in alternative formats by contacting Shelly M. Hood, Executive
24 Assistant to the Executive Secretary, voice phone number 602-542-3931, E-mail
shood@cc.state.az.us.

25 PTJ
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CONSENT TO ENTRY OF ORDER

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2 1. CHARLES E. CONATSER (“CONATSER”), an individual, and ESTATE
3 CONSERVATION STRATEGIES, INC. (“ESTATE”), an Arizona corporation, (collectively
4 “RESPONDENTS”) admit the jurisdiction of the Commission over the subject matter of this
5 proceeding. RESPONDENTS acknowledge that they have been fully advised of their right to a
6 hearing to present evidence and call witnesses and RESPONDENTS knowingly and voluntarily
7 waive any and all rights to a hearing before the Commission and all other rights otherwise
8 available under Article 11 of the Securities Act and Title 14 of the Arizona Administrative Code.
9 RESPONDENTS acknowledge that this Order To Cease And Desist, Order for Administrative
10 Penalties, Order of Revocation and Consent to Same (“Order”) constitutes a valid final order of the
11 Commission.

12 2. RESPONDENTS knowingly and voluntarily waive any right they may have under
13 Article 12 of the Securities Act to judicial review by any court by way of suit, appeal, or
14 extraordinary relief resulting from the entry of this Order.

15 3. RESPONDENTS acknowledge and agree that this Order is entered into freely and
16 voluntarily and that no promise was made or coercion used to induce such entry.

17 4. RESPONDENTS acknowledge that they have been represented by counsel in this
18 matter, they have reviewed this Order with their attorney and understand all terms it contains.

19 5. RESPONDENTS admit the Findings of Fact and Conclusions of Law contained in
20 this Order.

21 6. By consenting to the entry of this Order, RESPONDENTS agree not to take any
22 action or to make, or permit to be made, any public statement denying, directly or indirectly, any
23 Finding of Fact or Conclusion of Law in this Order or creating the impression that this Order is
24 without factual basis. RESPONDENTS will undertake steps necessary to assure that all of their
25 agents and employees understand and comply with this agreement.

26 . . .

1 7. While this Order settles this administrative matter between RESPONDENTS and
2 the Commission, RESPONDENTS understand that this Order does not preclude the Commission
3 from instituting other administrative proceedings based on violations that are not addressed by this
4 Order.

5 8. RESPONDENTS understand that this Order does not preclude the Commission
6 from referring this matter to any governmental agency for administrative, civil, or criminal
7 proceedings that may be related to the matters addressed by this Order.

8 9. RESPONDENTS understand that this Order does not preclude any other agency or
9 officer of the state of Arizona or its subdivisions from instituting administrative, civil or criminal
10 proceedings that may be related to matters addressed by this Order.

11 10. RESPONDENTS agree that they will not apply to the state of Arizona for
12 registration as a securities dealer or salesman or for licensure as an investment adviser or
13 investment adviser representative at any time in the future.

14 11. RESPONDENTS agree that they will not exercise any control over any entity that
15 offers or sells securities or provides investment advisory services, within or from Arizona.

16 12. RESPONDENTS agree that until penalties are paid in full, RESPONDENTS will
17 notify the Director of the Securities Division within 30 days of any change in home address or any
18 change in RESPONDENTS' ability to pay amounts due under this Order.

19 13. RESPONDENTS understand that default shall render them liable to the
20 Commission for their costs of collection and interest at the maximum legal rate.

21 14. RESPONDENTS consent to the entry of this Order and agree to be fully bound by
22 its terms and conditions. If RESPONDENTS breach any provision of this Order, the Commission

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1 may vacate this Order and restore this case to its active docket.

2 19. CONATSER represents that he is President of ESTATE and has been authorized by
3 ESTATE to enter into this Order for and on behalf of ESTATE.

4
5 _____
6 CHARLES E. CONATSER

7
8 SUBSCRIBED AND SWORN TO BEFORE me this ____ day of _____, 2002.

9
10 _____
11 NOTARY PUBLIC

12 My Commission Expires:
13 _____

14 ESTATE CONSERVATION STRATEGIES, INC.

15
16 _____
17 By: Charles E. Conatser, President

18 SUBSCRIBED AND SWORN TO BEFORE me this _____ day of _____, 2002.

19
20 _____
21 NOTARY PUBLIC

22 My Commission Expires:
23 _____